

# Quarterly Enterprise Compliance Activity Report





October 1, 2015 – December 31, 2015

Presented to  
Risk and Audit Committee  
April 19, 2016




## Purpose

To provide the Risk and Audit Committee with compliance activity information in order to fulfill their role of overseeing and monitoring enterprise program and policy compliance.

# Summary

Slide	Functional Area	Description	Results in Brief	Status
4	<b>Conflict of Interest</b>	<ul style="list-style-type: none"> <li>Report on disclosures mandated by the Public Employees' Retirement System - Conflict of Interest Code</li> </ul>	<ul style="list-style-type: none"> <li>One past due staff filing as of 12/31/15. Filing was closed after the reporting period and will be reflected in next quarter's report.</li> </ul>	
5	<b>Mandated Training</b>	<ul style="list-style-type: none"> <li>Reporting of past due certifications/trainings mandated by law, policy, or regulation</li> </ul>	<ul style="list-style-type: none"> <li>Two outstanding trainings as of 12/31/15. Training was completed after the reporting period.</li> </ul>	
6	<b>Policy Management and Delegations of Authority</b>	<ul style="list-style-type: none"> <li>New and amended policies reviewed and approved by ECOM</li> <li>ECOM analysis and completion of delegations</li> </ul>	<ul style="list-style-type: none"> <li>7 policies reviewed</li> <li>1 policies pending review</li> <li>6 General delegations complete</li> <li>10 Contract delegations complete</li> <li>2 General Interim delegations complete</li> <li>2 Delegation rescissions complete</li> </ul>	
7 – 8	<b>Personal Trading</b>	<ul style="list-style-type: none"> <li>Transactions and exceptions to CalPERS Personal Trading Regulations captured within Schwab Compliance Technologies</li> </ul>	<ul style="list-style-type: none"> <li>7,629 transactions</li> <li>108 exceptions identified</li> </ul>	

Status Update Legend:

 - No Issues  
  - Minor Issues  
  - Needs Attention

## Conflict of Interest Code – Staff Filings

Certifications	Required By	# of Staff Past Due During Quarter	Branch	# of Staff Past Due During Quarter
Form 700 Assuming Office	• Government Code § 18722	0	ACTO	0
Form 700 Leaving Office	• Government Code § 18722	1	BPPP	0
Form 700 Annual Statement	• California Code of Regulations §§ 18723 and 18730	0	CSR	0
			CSS	0
			EXEO	1
			FINO	0
			GCO	0
			INVO	0
			ITSB	0
			OPT	0

### ECOM Observations:

As of December 31, 2015, there is only one outstanding Form 700 Leaving Office Statement. Compliance continued to follow up via certified mail. (Filing was closed after the reporting period and will be reflected on the next report.)

# Mandated Training

Training	Required By	# of Staff Past Due as of 12/31/2015
Sexual Harassment Prevention Training (Managers & Supervisors)	<ul style="list-style-type: none"> <li>Government Code § 19995.4(b)</li> <li>AB 2053</li> </ul>	1
Sexual Harassment Prevention Training (Staff)	<ul style="list-style-type: none"> <li>Government Code § 19995.4(b)</li> <li>AB 2054</li> </ul>	0
Workplace Violence Prevention	<ul style="list-style-type: none"> <li>Workplace Violence Prevention Policy</li> </ul>	1
Health Insurance Portability and Accountability Act	<ul style="list-style-type: none"> <li>HIPAA Staff Training Policy</li> </ul>	0
Information Security Awareness	<ul style="list-style-type: none"> <li>Awareness and Training Policy</li> </ul>	0
CalPERS Ethics Training for Form 700/FPPC Filers	<ul style="list-style-type: none"> <li>Government Code § 11146.1</li> </ul>	0

## ECOM Observations:

- Workplace Violence Prevention Training and Sexual Harassment Prevention Training were both due on December 31, 2015.
- ECOM actively partnered with program management to provide status reports and track compliance. (Training was completed after the reporting period and will be reflected on the next report.)

# Policy Management & Delegations of Authority

## Policies reviewed/currently in review for Q2 FY 2015-16

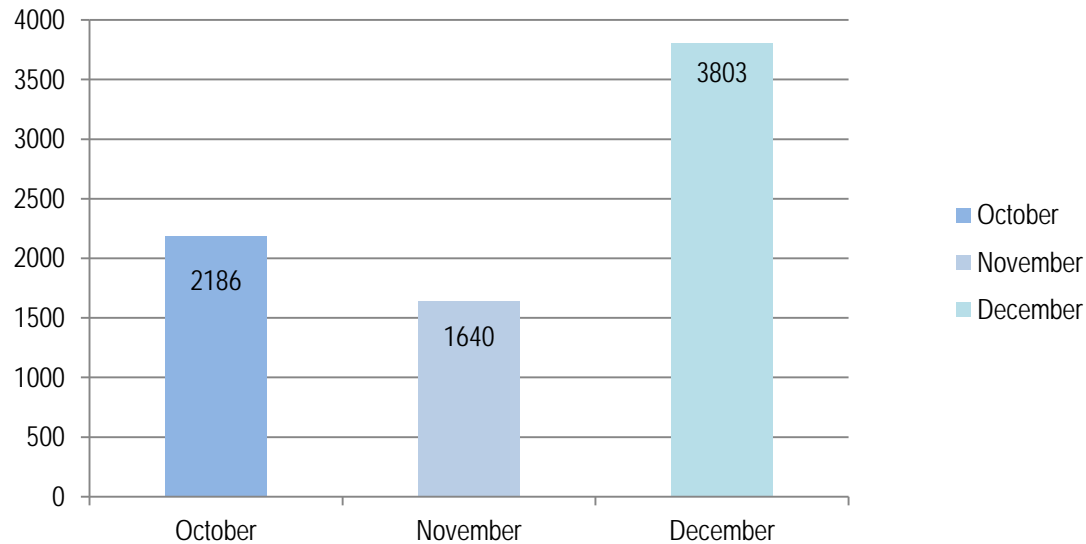
New or Revised Policy?	Status	Policy Title
New	Policy Completed	Funding Risk Mitigation Policy
Revised	Policy in Development	Material Non-Public Information Policy
Revised	Policy in Development	Risk Intelligent Enterprise Management Policy
New	Policy in Development	Budget Policy
Revised	Policy in Development	Actuarial Assumptions Policy
Revised	Policy in Development	Actuarial Cost Method Policy
Revised	Policy in Development	Actuarial Termination Policy
Revised	Policy in Development	Amortization Policy
Revised	Policy in Development	Contribution Allocation Policy

## Delegations Processed for Q2 FY 2015-16

Delegations Processed	Total
Contract	10
General	6
General Interim	2
Rescissions	2

# Personal Trade Monitoring – Q2 FY 2015-16

Personal Trading Transactions by Month



Personal Trading Transactions - Q2 FY 2015-16	
Total # of Transactions	7629
Total # of Exceptions	108

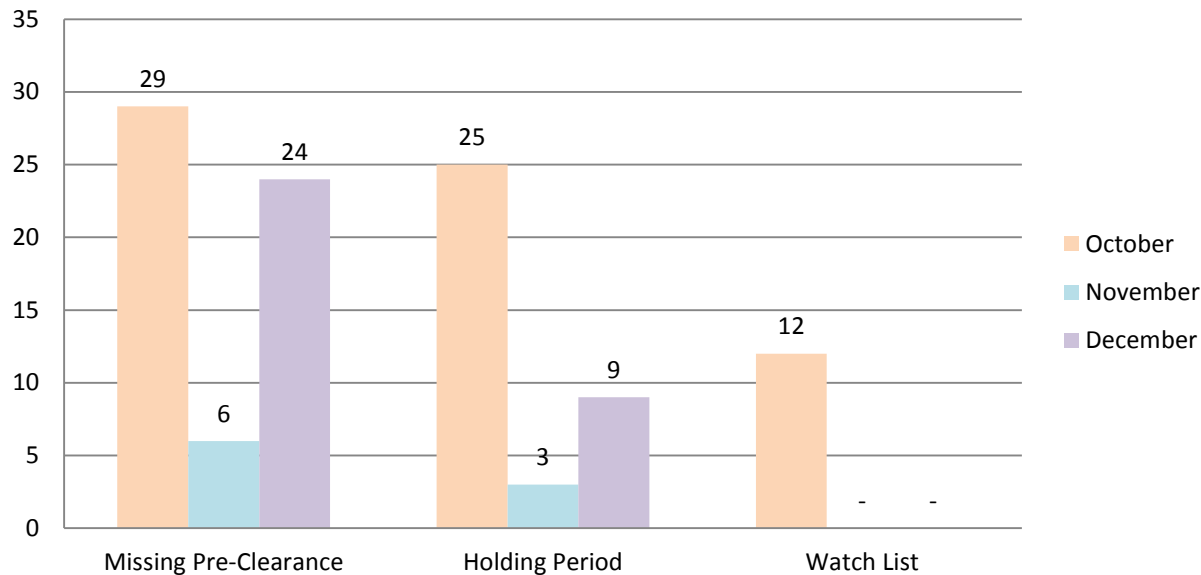
## ECOM Observations:

“Total Transactions” includes transactions in non-Covered Securities occurring in Covered Accounts (e.g., cash, open-ended mutual funds, etc.)

# Personal Trade Monitoring – Exceptions by Type

Exceptions for Q2 FY 2015-16

**Exceptions by Type**



**Missing Pre-Clearance:** Covered Persons are required to obtain pre-clearance approval before the purchase, sale or transfer of Covered Securities is executed in a Covered Account, unless the transaction is exempt from the requirement of pre-clearance.

**Holding Period:** The 30 calendar day period between the acquisition and sale, and the 30 calendar day period between sale and re-acquisition, of a Covered Security.

**Watch List:** A Watch List means the list of Covered Securities that identifies companies which CalPERS Employees and/or Board Members have information that may be material and non-public.

**Observations:**

Enterprise Compliance released a Holding Period Memo in mid-October as part of an effort to increase education and awareness around Personal Trading rules, reducing the number of exceptions. Going forward, enhanced training will also be provided.